

US Grocery Brands Advertising Review

November 2023



Test Your Ad

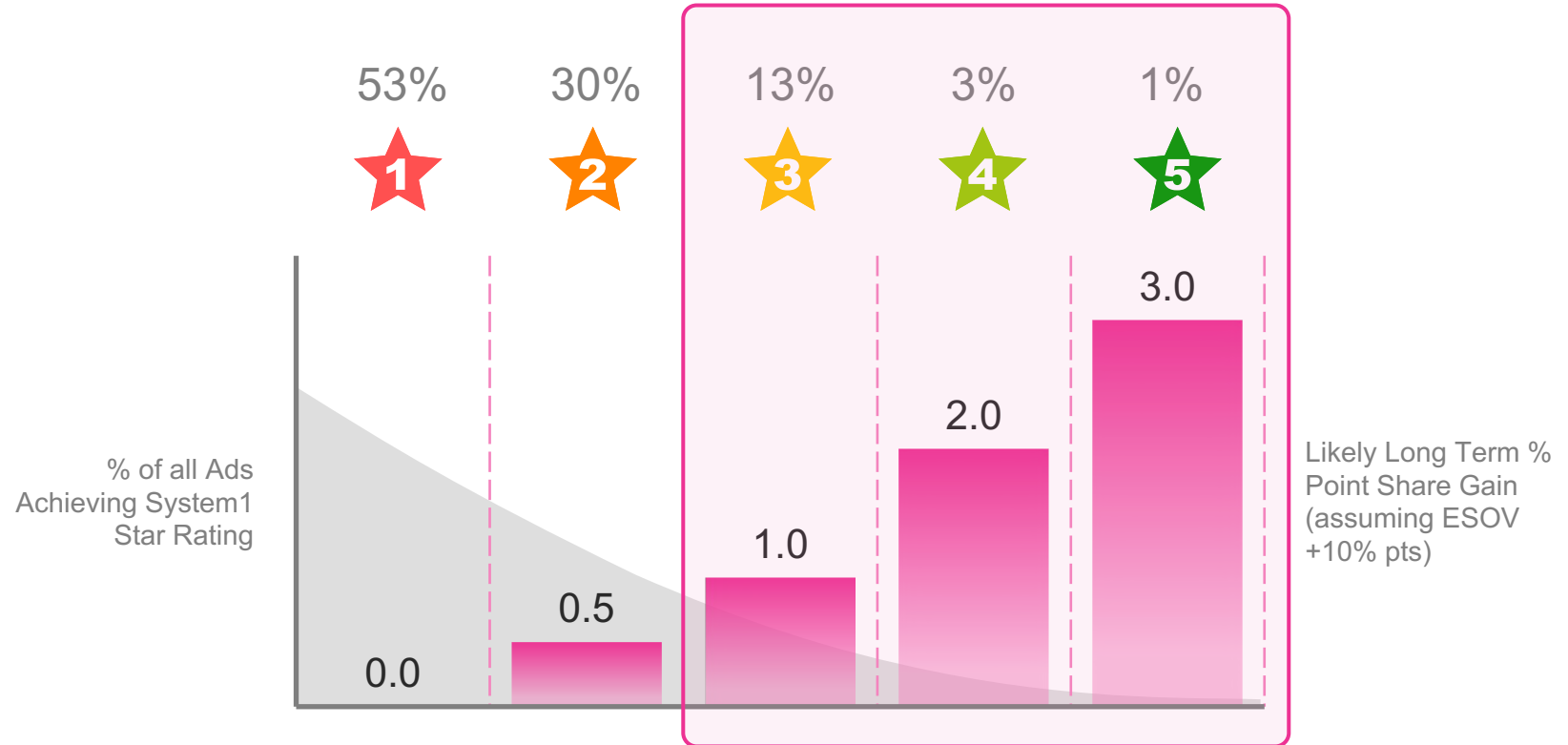
System1

More than half of all TV advertising in the US is effectively wasted.

System1 knows which half.

System1 can tell you if yours will be one of the 53% that are better not airing!

They can also help you improve the creative to be in the top 17%, driving market share



Source: System1 AdRatings of every TV ad since Feb 2017 in every major category - >50'000 Ads
Note: Share is used to account for changes in the size of the category. Gain is an average and other factors will impact on performance (such as price, promotion, availability, competitor advertising quality, ESOV etc)

System1's key metrics **predict advertising success**



Star Rating:
Exceptional

Predicts **long-term** market share growth



Spike Rating:
Good

Predicts **short-term** sales potential



Fluency Rating:
Modest

Measures **strength** of brand recognition

Project Overview

What?

A creative review and audit of the US Grocery category ads in System1's TYA database

Why?

To determine where the US Grocery category stands overall, as well as provide macro learnings of performance to inform future comms strategy and ad agency briefings

How?

Using 711 US Grocery ads found in System1's TYA database, aired between May 2022 and May 2023.

Tested with S1's TYA Essential methodology which includes key performance indicators: **Star, Spike, Fluency** and additional diagnostics: **FaceTrace second x second, FluencyTrace**

Mark Ritson's analysis of **5,900 Effie Awards submissions** showed **creativity** is the #1 driver of effectiveness that a brand can control. US Supermarkets is a crowded category of large brands.

1. Brand size
- 2. Creativity**
3. Distinctive assets
4. Excess share of voice
5. Mass & targeted marketing
6. Long & short term marketing
7. Multi-channel mix
8. Realistic differentiation
9. Right objectives
10. Research

Source: Mark Ritson's talk 'The 10 key factors driving advertising effectiveness' at the ThinkTV Media, Marketing & Effectiveness event, November 2019. Data taken from analysis of 5,900 submissions to the Effies 1990's to 2019..

<https://www.hub.tv/blog/what-drives-advertising-effectiveness-mark-ritsons-10-key-factors/>



Mark Ritson is a former professor of marketing at Melbourne Business School, an international keynote speaker and Marketing Week contributor



Category Overview

US Grocery Brands



Test Your Ad

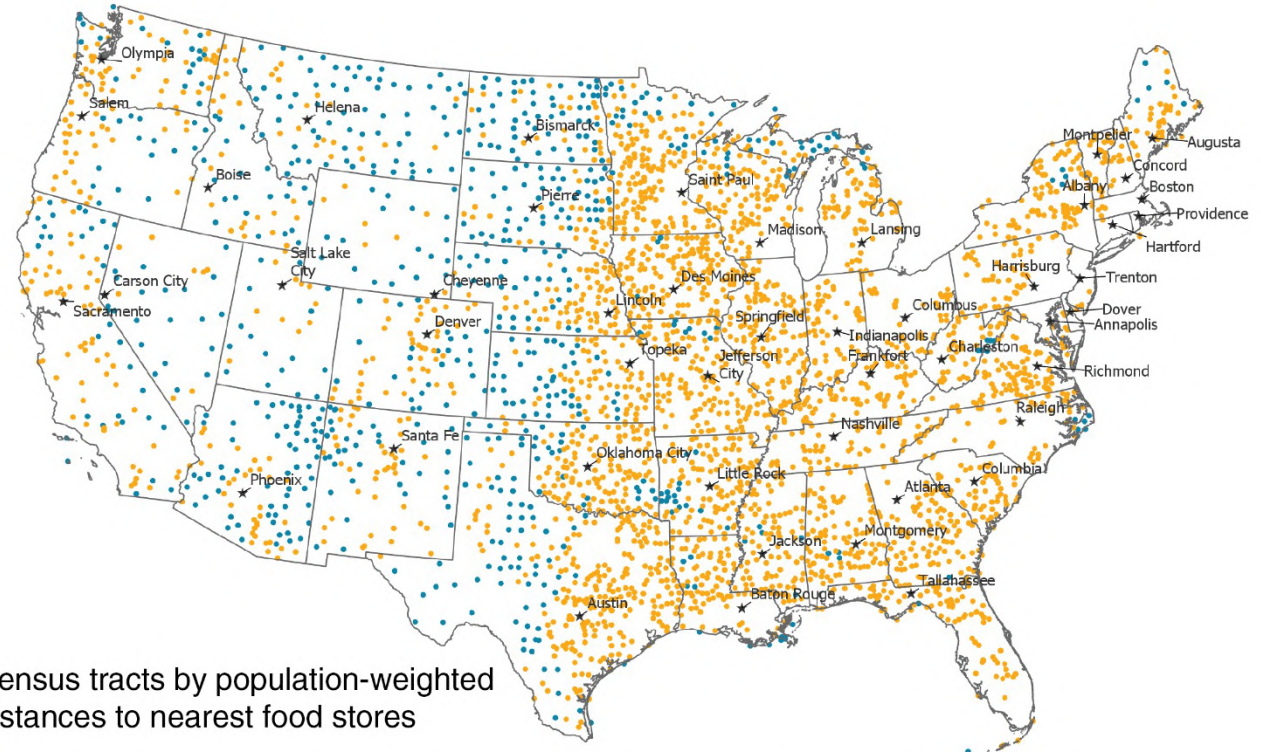
'Brand' matters in US Grocery Brands!

Most Americans have a choice of grocery brands within reach

The median distance to the nearest food store for the overall U.S. population is 0.9 miles. The median distance to the third-nearest food store is 1.7 miles.

Even in deep rural America, most households have 3 grocery stores within a 20-mile radius.

Consumers in much of the United States had access to a third food store within 20 miles of their homes



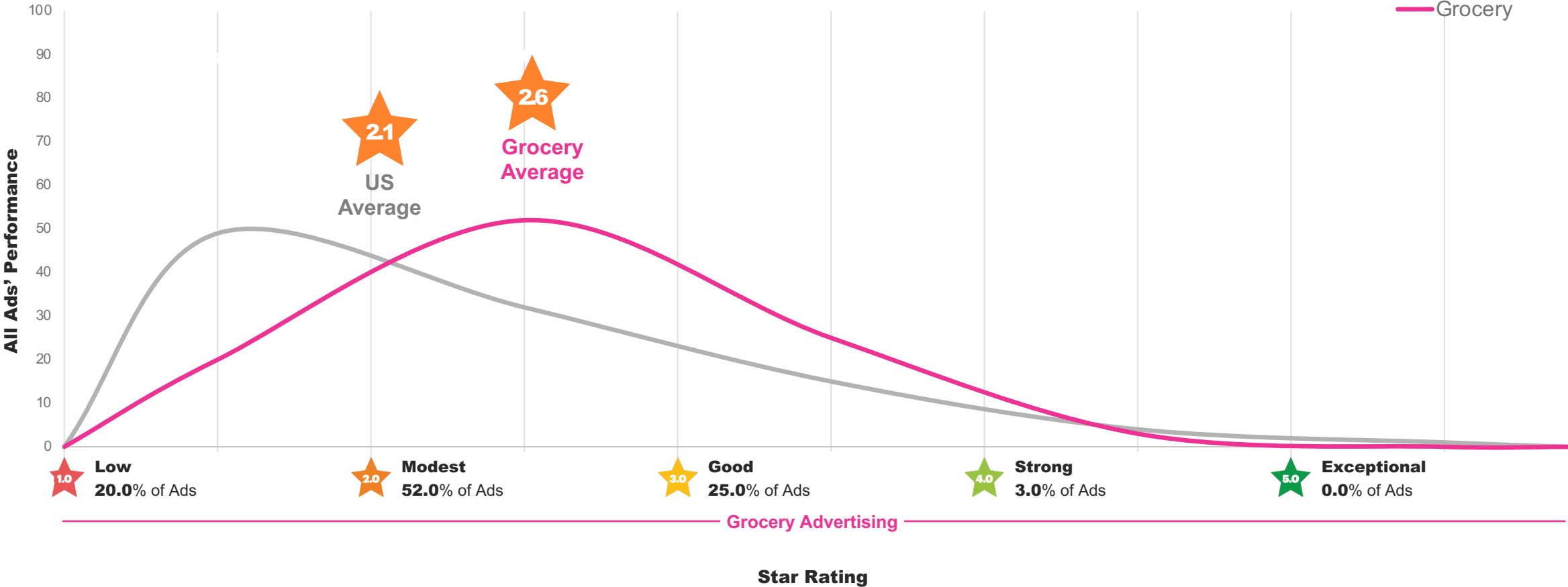
Census tracts by population-weighted distances to nearest food stores

- Nearest food store was < 5 miles and third-nearest was between 10 and 20 miles away
- Nearest food store was < 5 miles and third-nearest was > 20 miles away

Note: A food store is a supermarket, supercenter, or large grocery store.
Source: USDA, Economic Research Service.

Supermarkets use brand building advertising a little better...



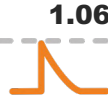



As a category, US grocery advertising is consistently **more effective than average** at brand building














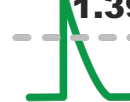








Predicts long-term market share growth

Grocery Brands also outperform short-term

Grocery ads edge ahead of average on **driving short-term business effects**. Branding (Fluency) remains on par with the US average

	US Average	TYA Category US Grocery	
Number of Ads	54,501	711	
Average Star	 2.1 Star Rating Modest	 2.6 Star Rating Modest	Predicts long term business effects
Average Spike	 1.06 Spike Rating Modest	 1.12 Spike Rating Good	Predicts short term business effects
Average Fluency	 79 Fluency Rating Good	 80 Fluency Rating Good	Measure of branding

Best in class | Publix's 'Special Surprise' is the most engaging ad that's aired in the category in the last 12 months. 5.9 is the highest Star score achievable.

Publix 'Special Surprise'	Wegmans 'Ultimate chocolate cake'	Wegmans 'Happy Together'	Publix 'Keep Supporting'	Publix 'Proud Moments'
				
View Report	View Report	View Report	View Report	View Report
 <p>Star Rating 5.9 Exceptional</p>	 <p>Star Rating 4.8 Strong</p>	 <p>Star Rating 4.8 Strong</p>	 <p>Star Rating 4.6 Strong</p>	 <p>Star Rating 4.6 Strong</p>
 <p>Spike Rating 1.17 Good</p>	 <p>Spike Rating 1.39 Exceptional</p>	 <p>Spike Rating 1.34 Exceptional</p>	 <p>Spike Rating 1.04 Modest</p>	 <p>Spike Rating 0.94 Low</p>
 <p>Fluency Rating 32 Low</p>	 <p>Fluency Rating 78 Modest</p>	 <p>Fluency Rating 82 Modest</p>	 <p>Fluency Rating 39 Low</p>	 <p>Fluency Rating 50 Low</p>

ALDI, **Winn-Dixie** and **Kroger** perform strongly across a broad set of ads for brand building, short-term activation and fluency (branding).

If **Walmart**'s performance were replicated across more ads, it would be category leader for ad effectiveness.



A look at Grocery Brand advertising

In the US



Test Your Ad



Key Learnings: What's the deal with Grocery Brands' advertising?

There are some very strong performers among Grocery advertisers, though most achieve their success during holiday campaigns. But the same principles (emotional storytelling) should apply year-round.

Many advertisers rely on value messaging outside of big holiday moments. Use storytelling and other right-brain elements to deliver rational messages in a creative and emotional way.

Some other ways currently executed are sensory pleasure and focusing on the human element (i.e. giving back to the community, supporting veterans, etc.). Even better to engage with storytelling in other ways beyond value, utilizing right brain elements to differentiate from competitors and build your brand.

In some cases, stories told in ads can be disjointed and unclear. If employing montages, ensure the scenes are woven together into a single, clear story with a peak (happy) ending.

Some attempts at creating distinctive assets are made but none are really impactful. Develop distinctive assets and deploy creative fluent devices to set yourself apart from competitors and for quick brand recognition.

Five key lenses for improving ad effectiveness



Emotion

How well does the basic idea of the ad create positive feeling? What is driving any negative emotion?



Fluency

Is the brand quickly and easily recognisable?
Is the ad making effective use of Fluent Devices?



Story

What is the shape of the story arc? Does it have a peak-end? Is it understood? Would editing improve it?



Characters

Are the characters engaging, relatable, suitable?
Is there connection between them?



Pace

Is everything in sync (audio, image)? Is it going too fast? Too slow? Repetitive?
Fast cut scenes vs freeze frame?

Most brands utilize more emotional storytelling primarily during Holiday campaigns



Emotion



Story



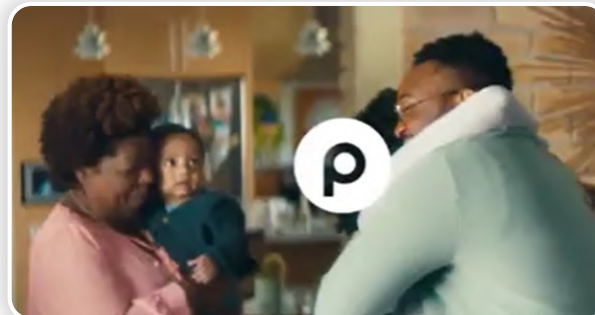
Pace

Wegmans
Holiday Commercial 2022



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Publix
Special Surprise



[View Report](#)

Kroger
Love the Memories



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Common messages include telling stories around food bringing people together and is typically communicated through a series of related montages

Creating consistent, **single narrative stories**, driven by Universal Human Truths, is key to **year-round engagement**



Emotion



Story

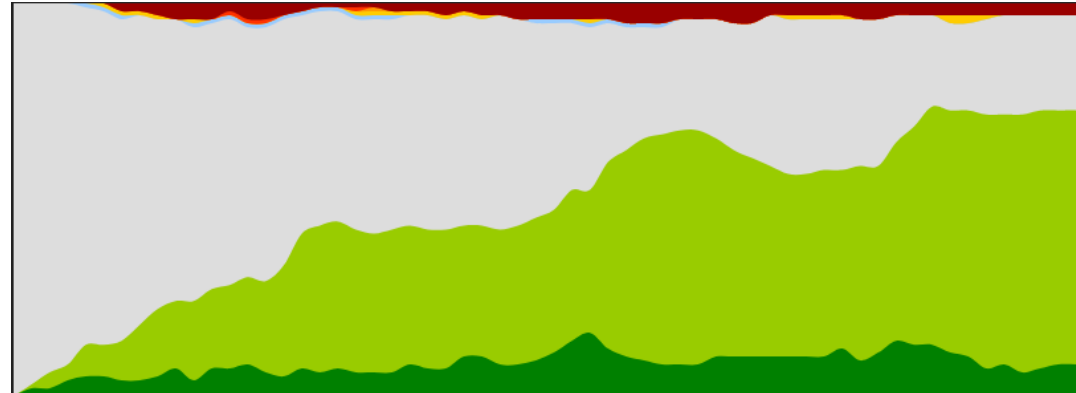


Pace

Publix ads outperform the **category** through coherent and emotionally-powerful stories, regardless of the occasion.

The use of one scene unfolding with progression naturally lends itself to elements associated with more effective storytelling (e.g., interest, context, character development, tension, resolution, etc.).

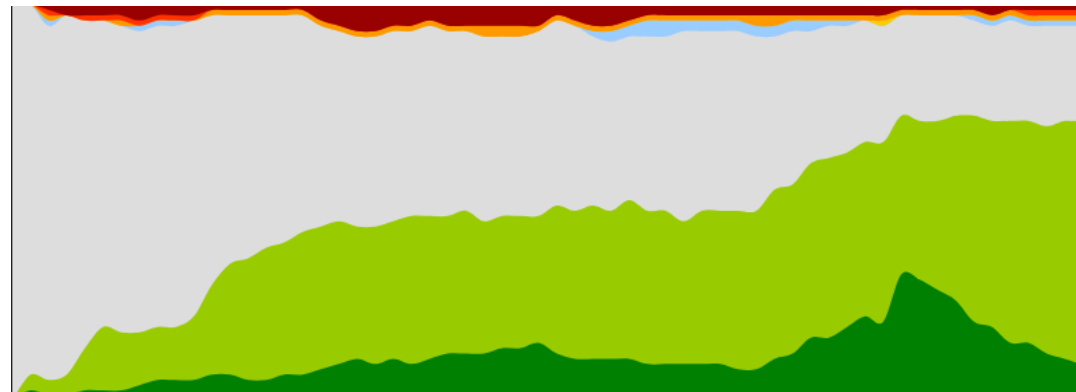
Publix
Proud Moments



Star Rating
Strong

[View Report](#)

Publix
Good Times



Star Rating
Strong

[View Report](#)

Montages can work, but should keep to a clear, singular story



Story



Pace

Like any style of ad, well-done vignette-style ads can be very powerful, but montages risk feeling disjointed, complex, or lacking a coherent story flow.

Strive to weave the different scenes into a single & engaging story arc, so the montage builds toward a peak ending that binds the story together.

Walmart

All the Ways We Have Holidays



Humor connects with the broad-beam attention of the Right Brain & the comedy of characters, language & sound can engage audiences effectively



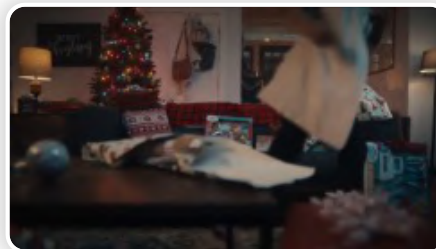
Star Rating

Strong

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HEB

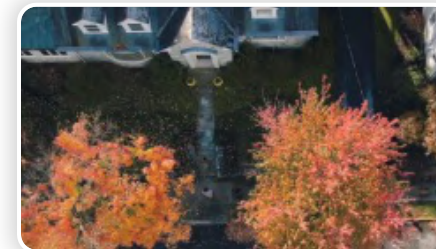
Jolly Holidays



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Meijer

One Community



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Food shots, when **executed well** in a slow, indulgent and enticing manner cue sensory pleasure aka 'food porn'



Emotion

Wegman's is known for this approach, setting itself apart from the category by employing close ups and food prep to entice viewers.

Wegmans

Our Ultimate Chocolate Cake

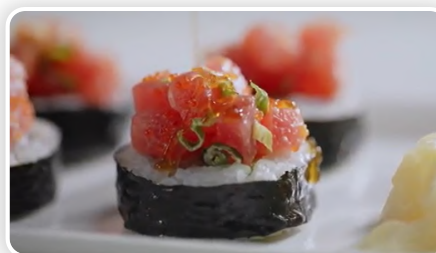


Star Rating
Exceptional

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Wegmans

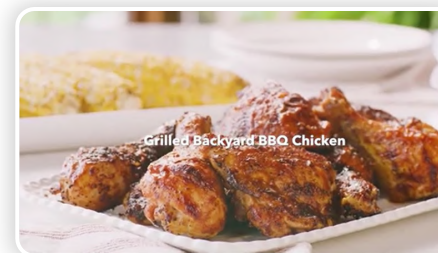
Sit Down to Delicious



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Wegmans

Meals as Low as \$2



[View Report](#)

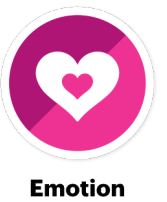
Wegmans

Best Quality



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Other strong performing ads take the focus away from food and onto humanity



Grocery brands have the benefit of picking from a wide array of topics that go beyond just food, with many top performing ads in the category appealing to universal human themes like local community, camaraderie and helping others

Kroger
Helping Hands



4.6

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Publix
Keep Supporting



4.6

[View Report](#)

Donating meals to local food banks/ people in need

Kroger
Stronger Together



3.8

[View Report](#)

Spotlight on Employees

HEB
Get a Home



3.6

[View Report](#)

Helping Veterans find an accessible home

What makes good brand building creative?

Emotional response in the Right Brain drives brand decision making, which drives ROI

Rational



Left

Features for direct effects mainly, for those already in 'buying mode'.



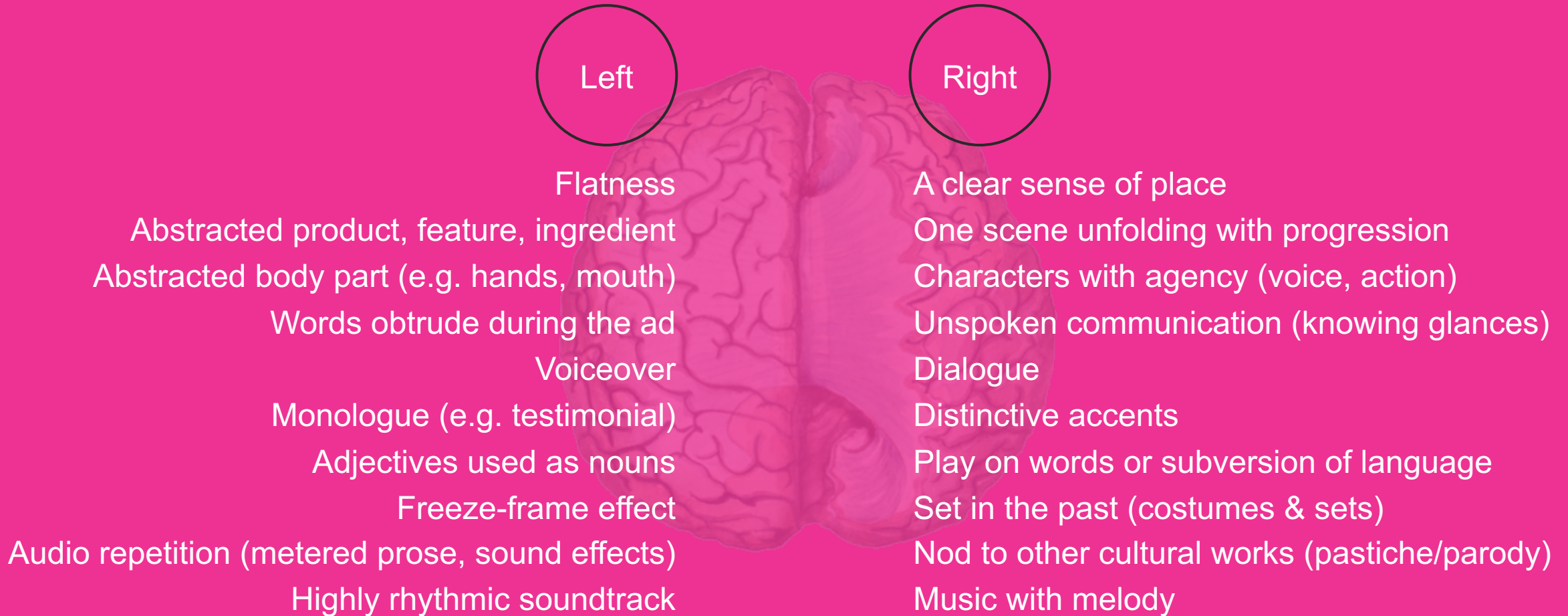
Emotional



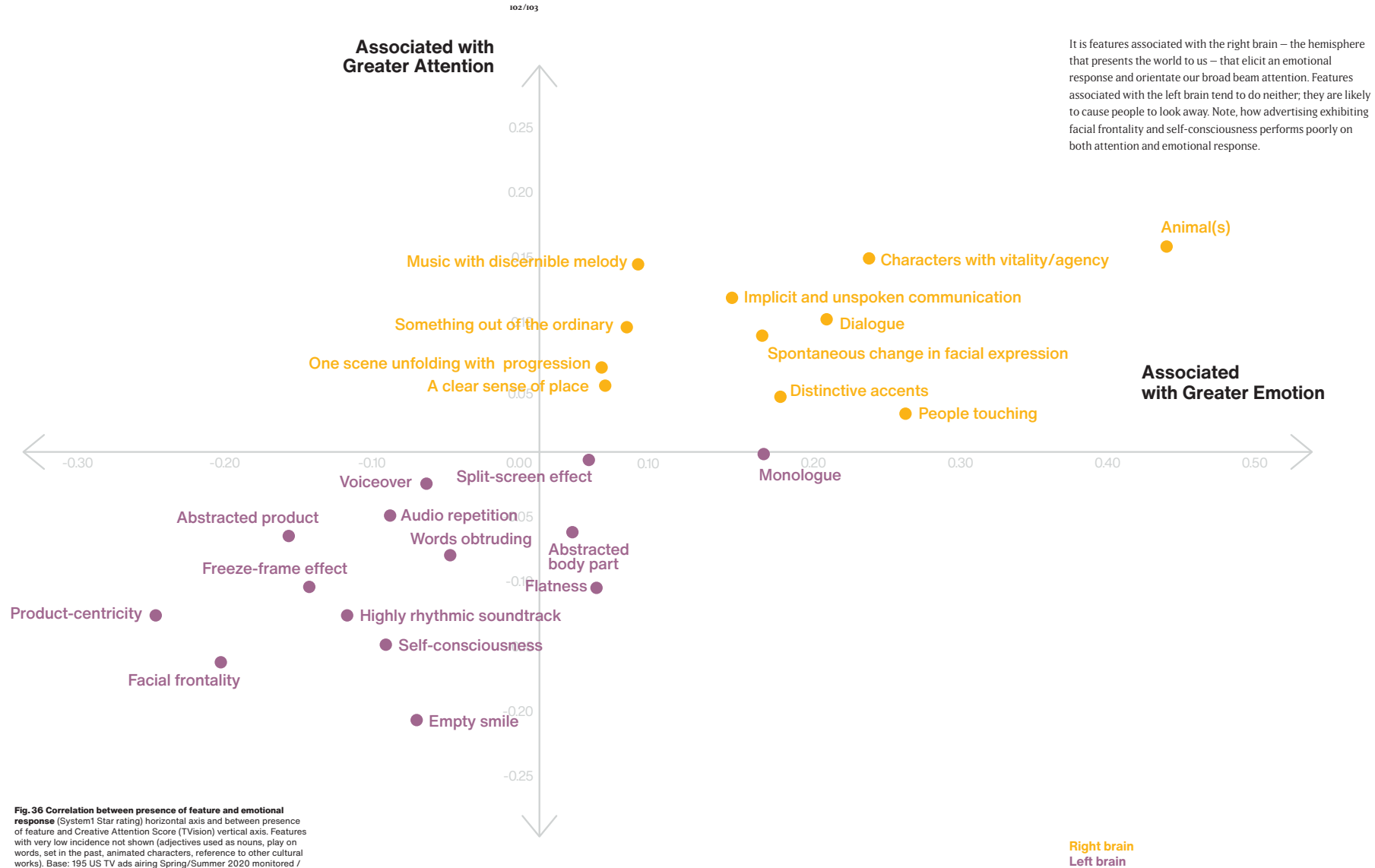
Right

Features tied to attention, Star score, market share & profit gain.

To engage human emotions, talk to the Right Brain | **Use right brained features**



Focus on more **right brain features** to create **emotion & memory**



Use right brain features to differentiate your messaging from competitors

Advertising with a strong rational focus on category factors like value and quality typically rely on left brain executional elements – e.g., heavy VO, text on screen – that end up dampening their effectiveness and contribute to a sense of flatness.

The most emotive ads focus on authentic storytelling, employing right brain ways to deliver an emotionally relevant message.

Instacart
Happy Hour at Matt's Place



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Whole Foods
Great Selection



[View Report](#)



Meijer
Always Reliable



[View Report](#)



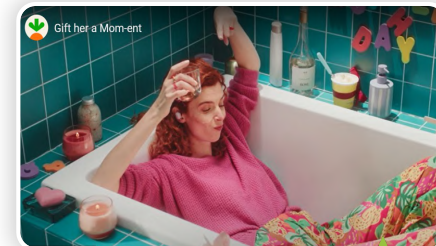
Kroger
Helping Hands



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Publix
Keep Supporting



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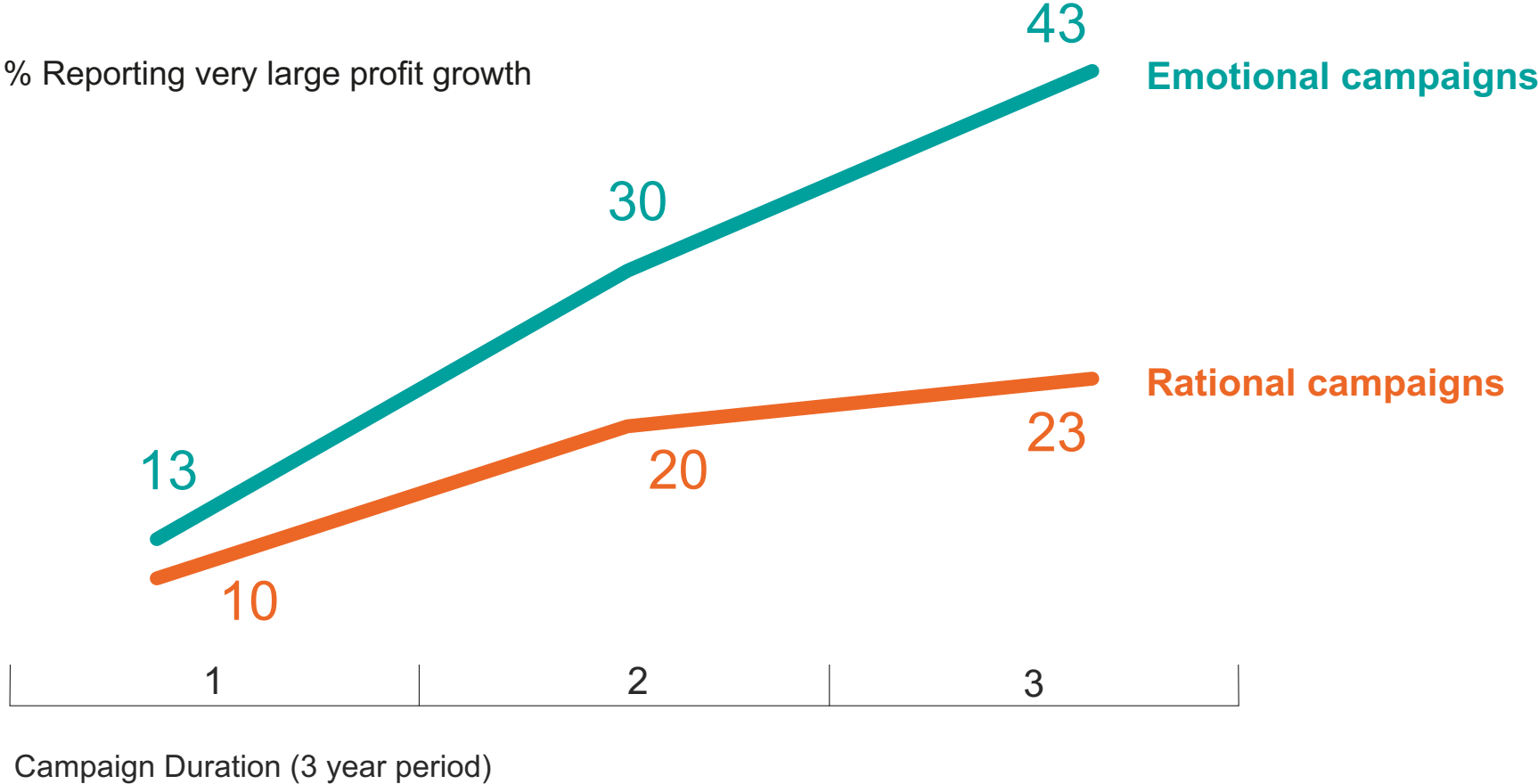
Aldi
Quality Control



[View Report](#)



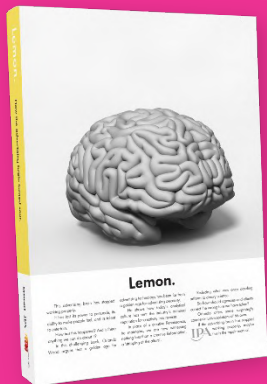
Emotional campaigns outperform rational ones: they are nearly twice as likely to report 'very large' profit growth over 3 years | Binet & Field



There's a better way to connect emotionally with customers | The **Fluent Device**

“The Ehrenberg-Bass Institute stresses the importance of distinctive assets – brand properties such as logos, fonts, shapes, colours... but there are better ways to connect with the right brain in advertising. The trick is to prioritise the living. We call such a vehicle a **fluent device**.”

Orlando Wood | **Lemon**



System1 has two definitions of a **Fluent Device**

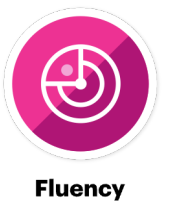
1 A fictitious character or characters (humans or creatures) created by the brand and used as the primary vehicle for the drama in multiple ads across a campaign.



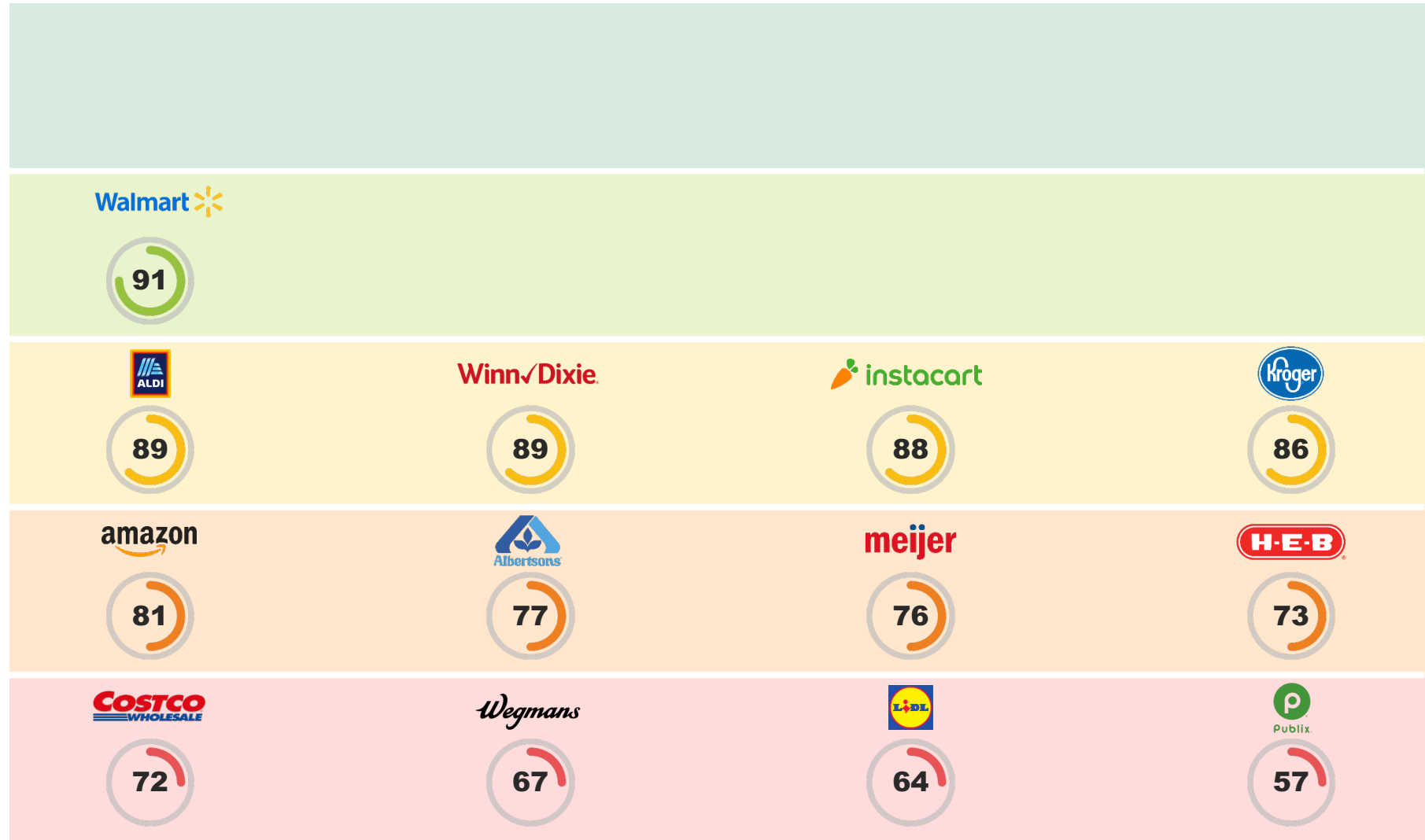
2 A scenario, often expressed as a slogan, used more than once in a campaign as the primary vehicle for the drama without which the ad would make little sense.



The grocery **category lacks distinct 'fluent devices' for branding**; many ads rely on overt branding to achieve fluency, rather than distinctiveness.



Fluency Legend



Average Fluency by Brand

There is a category wide **opportunity to create and own fluent devices**.
Brands' attempts so far have had limited success.



Fluency



Characters



Kroger's characters don't play an active role or exhibit human or likeable traits that engage consumers.

Kroger ads also employ a lot of overt branding (logos, VO), upon which it relies for recognition.



Aldi employs fluent scenarios with its interview style and humor, but it is not used consistently in all their campaigns.

Opportunity

Fluent Devices are becoming rarer, yet they are more important than ever in a media landscape where users are in control of what they see and attention spans are short.

Fluent Devices can build and refresh memory structures quickly across platforms. This is especially important in environments where the brand has limited control and where the user operates at speed.

In the absence of fluent devices, show your brand early and often

Introduce brand/logo early and consistently during key ad moments.

The key is seamless integration of your brand to avoid disrupting the natural story arc. This can be done via other owned assets (e.g. colors, retail space, etc.)

Avoid reliance on the end card – it's almost always too late for brand recognition!

Aldi
Patrick Erin Couple



Walmart
All the Ways We Have Holidays



Winn Dixie
Thank You



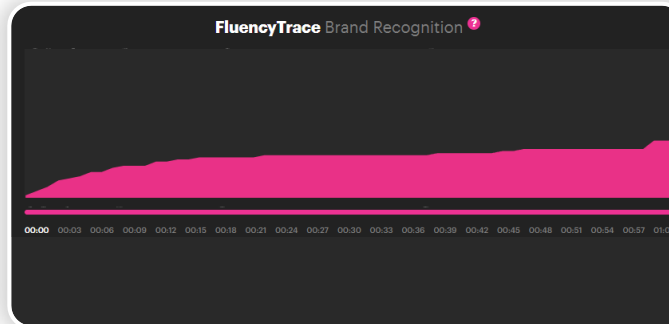
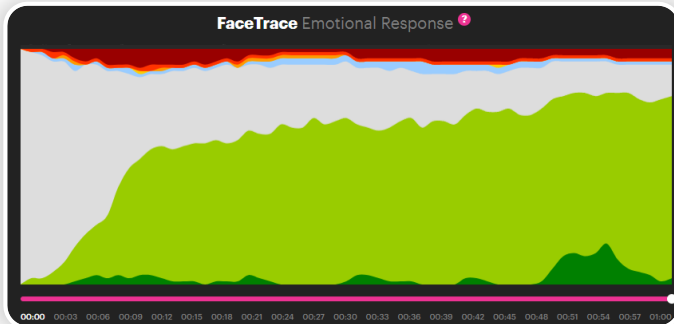
Ensure consumers recognize your brand assets, otherwise it's wasted effort



Publix has the right idea: embed assets within the storytelling.

But it's a missed opportunity because the logo is illegible and with no name attached, is not recognizable to consumers.

'Keep Supporting'



An enviable emotional journey but few are able to connect it to the Publix brand.



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